Served: February 21, 1997



UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION OFFICE OF THE SECRETARY WASHINGTON, D.C.

Issued by the Department of Transportation on the 14th day of February, 1997

Applications of

Carnival Air Lines, Inc.

Continental Airlines, Inc.

Evergreen International Airlines, Inc.

Federal Express Corporation

Fine Airlines, Inc.

Northwest Airlines, Inc.

Polar Air Cargo, Inc.

for exemptions or authorities under 49 U.S.C. section 40109 and the orders and regulations of the Department of Transportation

Dockets OST-96-1003 OST-97-2042

> OST-97-204750100/ 50101) OST-97-2076

OST-96-2025

OST-96-2018

OST-96-199849346) OST-96-199949345)

OST-96-2029

OST-95-877(50254) OST-97-2052

ORDER

The captioned U.S. air carriers have applied for various forms of authority or relief from Title 49 of the U.S. Code or regulations or orders of the Department in order to perform the air transportation activities shown in the attached Notices of Action Taken. Except as noted, no answers were filed to these requests. Because of the imminence of

these operations, we approved them by telephone, subject to adherence, by each applicant, to the conditions set forth in its certificate(s) of public convenience and necessity, and/or conditions attached.

We carefully considered the information set forth in each application described in the attached Notices of Action Taken, and we found that each of the proposed operations was consistent with the public interest and was consistent with an applicable bilateral aviation agreement and/or the aviation relationship between the United States and the foreign country involved, that each applicant was qualified to perform its proposed operations, and that each application should be approved.

Under authority assigned by the Department in its Regulations, 14 CFR Part 385, we found that for each operation (1) immediate action was required and was consistent with Department policy; (2) grant of the exemption or authority was consistent with the public interest; and (3) grant of this authority would not constitute a major regulatory action under the Energy Policy and Conservation Act of 1975.

ACCORDINGLY,

- 1. We confirm the actions described in the attached Notices of Action Taken, which granted the referenced U.S. air carriers (1) exemptions from the provisions of Section 41101 and where necessary 41504 or as noted in the attached notices, other sections of Title 49 U.S.C.; or (2) relief or authorizations as provided for under regulations or orders of the Department, to the applicants to perform the operations described in the attached Notices of Action Taken;
- 2. In the conduct of the service, each applicant was to adhere to the conditions set forth in the Appendix, and to any other conditions as noted in the attached Notices of Action Taken;
- 3. To the extent not granted, or explicitly deferred as noted in the attached Notices of Action Taken, these applications are denied; and
- 4. We may amend, modify, or revoke this order at any time without hearing.

¹ On the basis of data officially noticeable under Rule 24(n) of the Department's regulations, we found that each U.S. air carrier applicant for an operating exemption is qualified to provide the services authorized.

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Persons entitled to petition the Department for review of this order under the Department's Regulations, 14 CFR 385.50, may file their petitions within ten (10) days after the date of service of this order. The filing of a petition for review of a particular action shall affect this order only as it concerns that action.

These actions were effective when taken, and the filing of a petition for review will not alter their effectiveness.

By:

PAUL L. GRETCH
Director
Office of International Aviation

(SEAL)

<u>U.S. Carrier</u> <u>Standard Exemption Conditions</u>

In the conduct of the operations authorized by the attached order, the applicant(s) shall:

- (1) Hold at all times effective operating authority from the government of each country served;
- (2) Comply with applicable requirements concerning oversales contained in 14 CFR 250 (for scheduled operations, if authorized);
- (3) Comply with the requirements for reporting data contained in 14 CFR 241;
- (4) Comply with the requirements for minimum insurance coverage, and for certifying that coverage to the Department, contained in 14 CFR 205;
- (5) Comply with the requirements of 14 CFR 203, concerning waiver of Warsaw Convention liability limits and defenses;
- (6) Comply with the applicable requirements of the Federal Aviation Administration Regulations; and
- (7) Comply with such other reasonable terms, conditions, and limitations required by the public interest as may be prescribed by the Department of Transportation, with all applicable orders and regulations of other U.S. agencies and courts, and with all applicable laws of the United States.

The authority granted or confirmed by the attached order shall be effective only during the period when the holder is in compliance with the conditions imposed above.



RENEW

January 31, 1997

This serves as interim notice to the public of the action do official indicated; the confirming order or other decision		
Application of Carnival Air Lines, Inc. filed	<u>12/9/96</u> in Docket <u>OST-96-1003</u> for:	
XX Renew exemption under 49 U.S.C. to provide the fol	lowing service:	
Scheduled foreign air transportation of persons, proportion of San Jose, Costa Rica.	erty, and mail between Fort Lauderdale,	
Applicant rep.: <u>Aaron A. Goerlich, 202-822-9070</u> DC	OT analyst: Sylvia Moore, 202-366-6519	
DISPOSITION		
XX Granted		
The above action was effective when taken: <u>January 31</u>	, 1997, through <u>January 31, 1998</u>	
XX Under assigned authority (14 CFR 385) by:	Paul L. Gretch, Director Office of International Aviation (Petitions for review may be filed from now until 10 days after the confirming order/letter issues. Filing of a petition shall not stay the effectiveness of this action.)	
XX Authority granted is consistent with the aviation a Costa Rica.	agreement between the United States and the	
Except to the extent exempted or waived, this authority is indicated:	subject to the terms, conditions, and limitations	
XX Holder's certificate of public convenien XX Standard Exemption Conditions (attack	· ·	



Office of the Secretary of Transportation

NEW

January 31, 1997

This serves as interim notice to the public of the action de official indicated; the confirming order or other decision	· · · · · · · · · · · · · · · · · · ·			
Application of Carnival Air Lines, Inc. filed	1/6/97 in Docket OST-97-2042 for:			
XX Exemption under 49 U.S.C. to provide the following service:				
Scheduled foreign air transportation of persons, property, and mail between Fort Lauderdale, Florida, and Santo Domingo, Dominican Republic.				
Applicant rep.: Aaron A. Goerlich, 202-822-9070 DOT analyst: Sylvia Moore, 202-366-6519				
DISPOSITION				
XX Granted				
The above action was effective when taken: <u>January 31</u> ,	1997, through January 31, 1998			
XX Under assigned authority (14 CFR 385) by:	Paul L. Gretch, Director Office of International Aviation (Petitions for review may be filed from now until 10 days after the confirming order/letter issues. Filing of a petition shall not stay the effectiveness of this action.)			
\underline{XX} Authority granted is consistent with the aviation agreement between the United States and the Dominican Republic.				
Except to the extent exempted or waived, this authority is indicated: XX Holder's certificate of public convenienc XX Standard Exemption Conditions (attach	e and necessity			



of Transportation

NOTICE OF ACTION TAKEN

RENEW

January 31, 1997

This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible.

Application of Continental Airlines, Inc. filed 1/7/97 in Docket OST-97-2047 (50100 & 50101) for:

 \underline{XX} Renew for two years exemption under 49 U.S.C. to provide the following service:

Scheduled foreign air transportation of persons, property, and mail between Houston, Texas; and Newark, New Jersey; on the one hand, and Paris, France, on the other, and to integrate this authority with its existing exemption and certificate authority. The City of Houston and the Greater Houston Partnership filed an answer in support of Continental's application.

Applicant rep.: Steven A. Mirmina, 202-624-2500 DOT analyst: Sylvia Moore, 202-366-6519

DISPOSITION

XX Granted

The above action was effective when taken: January 31, 1997, through January 31, 1999

XX Under assigned authority (14 CFR 385) by: Paul L. Gretch, Director

Office of International Aviation (Petitions for review may be filed from now until 10 days after the confirming order/letter issues. Filing of a petition shall not stay the effectiveness of this action.)

 \overline{XX} Authority granted is consistent with the overall state of aviation relations between the United States and France.

Except to the extent exempted or waived, this authority is subject to the terms, conditions, and limitations indicated:

XX Holder's certificate of public convenience and necessity

XX Standard Exemption Conditions (attached)

Conditions: The route integration authority granted is subject to the condition that any service provided under this exemption shall be consistent with all applicable agreements between the United States and the foreign countries involved. Furthermore, (a) nothing in the award on the route integration authority requested should be construed as conferring upon Continental rights (including fifth freedom intermediate and/or beyond rights) to serve markets where U.S. carrier entry is limited unless

(See Reverse Side)

Continental notifies us of its intent to serve such a market and unless and until the Department has completed any necessary carrier selection procedure to determine which carrier(s) should be authorized to exercise such rights; and (b) should there be a request by any carrier to use the limited entry route rights that are included in Continental's authority by virtue of the route integration exemption granted here, but that are not then being used by Continental, the holding of such authority by route integration will not be considered as providing any preference for Continental in a competitive carrier selection proceeding to determine which carrier(s) should be entitled to use the authority at issue.



NEW

January 31, 1997

This serves as interim notice to the public of the action a official indicated; the confirming order or other decision	· · · · · · · · · · · · · · · · · · ·
Application of Continental Airlines, Inc. filed	d <u>1/15/97</u> in Docket <u>OST-97-2076</u> for:
XX Exemption under 49 U.S.C. to provide the following	service:
Scheduled foreign air transportation of persons, prop and Birmingham, England.	erty, and mail between Newark, New Jersey,
Applicant rep.: Steven A. Mirmina, 202-624-2500 D	OT analyst: Sylvia Moore, 202-366-6519
DISPOSITIO	ON
XX Granted	
The above action was effective when taken: <u>January 3</u> (or until 90 days after final Department action on Contin 96-1648, whichever occurs earlier)	
XX Under assigned authority (14 CFR 385) by:	Paul L. Gretch, Director Office of International Aviation (Petitions for review may be filed from now until 10 days after the confirming order/letter issues. Filing of a petition shall not stay the effectiveness of this action.)
XX Authority granted is consistent with the U.SU.K Memorandum of Consultations dated June 5, 1995, w reciprocity.	
Except to the extent exempted or waived, this authority is indicated:	s subject to the terms, conditions, and limitations
XX Holder's certificate of public convenient XX Standard Exemption Conditions (attack)	



Renew

January 27, 1997

CORRECTED COPY*

This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible.

Application of Evergreen International Airlines, Inc. filed 12/17/96 in Docket OST-96-2025 for:

 \underline{XX} Renew for two years allocation of 3 weekly frequencies to provide scheduled all-cargo service in the $\overline{U.S.}$ -Russia market.

XX Renew for two years and amend exemption under 49 U.S.C. to provide the following service:

Scheduled foreign air transportation of property and mail between Anchorage, Alaska, on the one hand, and Khabarovsk and Petropavlovsk, Russia, on the other, and beyond to Hong Kong, without local traffic rights between Russia and Hong Kong. Evergreen also requests to amend its exemption by adding Vladivostok and Yuzhno-Sakhalinsk as additional Russian coterminal points and to integrate this authority with its existing certificate authority.

Applicant rep.: Glenn G. Fuller, 202-466-2929 DOT analyst: Sylvia Moore, 202-366-6519

DISPOSITION

XX Granted (Subject to conditions, see below)

The above action was effective when taken: January 22, 1997, through January 22, 1999

XX Under assigned authority (14 CFR 385) by: Paul L. Gretch, Director

Office of International Aviation (Petitions for review may be filed from now until 10 days after the confirming order/letter issues. Filing of a petition shall not stay the effectiveness of this action.)

 \overline{XX} Authority granted is consistent with the aviation agreement between the United States and Russia.

Except to the extent exempted or waived, this authority is subject to the terms, conditions, and limitations indicated:

 \underline{XX} Holder's certificate of public convenience and necessity

XX Standard Exemption Conditions (attached)

^{*}Petropavlovsk was inadvertently omitted from the Notice of Action Taken dated January 23, 1997. (See Reverse Side)

Conditions: The route integration authority granted is subject to the condition that any service provided under this exemption shall be consistent with all applicable agreements between the United States and the foreign countries involved. Furthermore, (a) nothing in the award on the route integration authority requested should be construed as conferring upon Evergreen additional rights (including fifth freedom intermediate and/or beyond rights) to serve markets where U.S. carrier entry is limited unless Evergreen notifies us of its intent to serve such a market and unless and until the Department has completed any necessary carrier selection procedure to determine which carrier(s) should be authorized to exercise such rights; and (b) should there be a request by any carrier to use the limited entry route rights that are included in Evergreen's authority by virtue of the route integration exemption granted here, but that are not then being used by Evergreen, the holding of such authority by route integration will not be considered as providing any preference for Evergreen in a competitive carrier selection proceeding to determine which carrier(s) should be entitled to use the authority at issue.

Consistent with our standard practice, the frequency allocation granted is subject to the condition that it will expire automatically and the frequencies will revert back to the Department for reallocation if they are not used for a period of 90 days.



RENEW

January 23, 1997

This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible. Application of Federal Express Corporation filed 12/12/96 in Docket OST-96-2018 for: XX Renew for two years allocation of 5 weekly frequencies to provide scheduled all-cargo service in the U.S.-Russia market. **XX** Renew for two years exemption under 49 U.S.C. to provide the following service: Scheduled foreign air transportation of property and mail between New York, New York, and Memphis, Tennessee, on the one hand and Moscow, on the other, via any point or points in Europe contained in Federal Express' certificates for Route 119 and Route 472. Applicant rep.: Nathaniel Breed, 202-663-8078 DOT analyst: Sylvia Moore, 202-366-6519 DISPOSITION **XX** Granted (Subject to conditions, see below) The above action was effective when taken: January 22, 1997, through January 22, 1999 **XX** Under assigned authority (14 CFR 385) by: Paul L. Gretch, Director Office of International Aviation (Petitions for review may be filed from now until 10 days after the confirming order/letter issues. Filing of a petition shall not stay the effectiveness of this action.)

XX Authority granted is consistent with the aviation agreement between the United States and Russia.

Except to the extent exempted or waived, this authority is subject to the terms, conditions, and limitations indicated:

XX Holder's certificate of public convenience and necessity

XX Standard Exemption Conditions (attached)

Conditions: Consistent with our standard practice, the frequency allocation granted is subject to the condition that it will expire automatically and the frequencies will revert back to the Department for reallocation if they are not used for a period of 90 days.



RENEW

January 31, 1997

	January 31, 1997
This serves as interim notice to the public of the action official indicated; the confirming order or other decision	
Application of Fine Airlines, Inc. filed 12/	2/96 in Docket OST-96-1998 (49346) for:
XX Renew for two years exemption under 49 U.S.C. to	provide the following service:
Scheduled foreign air transportation of property and coterminal points Panama City, Panama; and San Jowith its existing authority to serve Managua, Nicara, El Salvador; and Guatemala City, Guatemala.	ose, Costa Rica; and to integrate this authority
Applicant rep.: Karan Bhatia, 202-663-6000 DOT a	malyst: Sylvia Moore, 202-366-6519
DISPOSITI	TON
XX Granted (subject to the conditions below)	
The above action was effective when taken:	31, 1997, through January 31, 1999
XX Under assigned authority (14 CFR 385) by:	Paul L. Gretch, Director Office of International Aviation (Petitions for review may be filed from now until 10 days after the confirmingorder/letter issues. Filing of a petition shall not stay the effectiveness of this action.)
XX Authority granted is consistent with the aviation Panama and the United States and Costa Rica.	agreements between the United States and
Except to the extent exempted or waived, this authority indicated:	is subject to the terms, conditions, and limitations
XX Holder's certificate of public convenients XX Standard Exemption Conditions (attack)	
Conditions: The route integration authority granted is su	ubject to the condition that any service provided

Conditions: The route integration authority granted is subject to the condition that any service provided under this exemption shall be consistent with all applicable agreements between the United States and the foreign countries involved. Furthermore, (a) nothing in the award on the route integration authority

requested should be construed as conferring upon Fine rights (including fifth freedom intermediate and/or beyond rights) to serve markets where U.S. carrier entry is limited unless Fine notifies us of its intent to serve such a market and unless and until the Department has completed any necessary carrier selection procedure to determine which carrier(s) should be authorized to exercise such rights; and (b) should there be a request by any carrier to use the limited entry route rights that are included in Fine's authority by virtue of the route integration exemption granted here, but that are not then being used by Fine, the holding of such authority by route integration will not be considered as providing any preference for Fine in a competitive carrier selection proceeding to determine which carrier(s) should be entitled to use the authority at issue.



RENEW

January 31, 1997

				Junuary 01, 1557
				relow, taken orally by the Department t will be issued as soon as possible.
Application of	Fine Airlines, Inc.	filed <u>12</u>	<mark>2/2/96</mark> in Do	ocket <mark>OST-96-1999 (49345)</mark> for:
XX Renew for	two years exemption und	ler 49 U.S.C. te	o provide the	e following service:
				een Miami, Florida, and the ad and Tobago; and Georgetown,
Applicant rep.:	Karan Bhatia, 202-66	3-6000 DOT	analyst:S	Sylvia Moore, 202-366-6519
		DISPOSIT	TION	
XX Granted (s	subject to the conditions l	pelow)		
The above action	on was effective when tak	en: January	31, 1997,	through January 31, 1999
XX Under assi	igned authority (14 CFR	385) by:	Office (Petition 10 days	. Gretch, Director of International Aviation us for review may be filed from now until after the confirming order/letter issues. f a petition shall not stay the effectiveness of on.)
Barbados, the	_	dad and Toba	ago, and the	ts between the United States and U.SU.K. Air Services Agreement o ence.
Except to the exindicated:	xtent exempted or waived	, this authority	is subject to	o the terms, conditions, and limitations
XX	Holder's certificate of p Standard Exemption Co			cessity



Office of the Secretary of Transportation

NOTICE OF ACTION TAKEN

January 24, 1997

NEW

•		Junuary 2 1, 1227
This serves as interim notice to the public of the acti official indicated: the confirming order or other dec		, , , , , , , , , , , , , , , , , , ,
Application of Northwest Airlines, Inc. file	ed 12/18/96	Docket OST-96-2029 for:
$\overline{\mathbf{X}}\overline{\mathbf{X}}$ Exemption under 49 U.S.C. 40109 to provide the	he following s	ervice:
Scheduled foreign air transportation of persons, p States and Abidjan, Cote d'Ivoire, via Amsterdan to a code-share arrangement with KLM Airlines of Amsterdam and Abidjan.	n. Northwest	plans to operate this service pursuant
Applicant rep.: Megan Rae Poldy, 202-842-3193	DOT anal	yst: <u>Sylvia Moore, 202-366-651</u> 9
DISPOS	SITION	
XX Granted		
The above action was effective when taken: Januar	y 24, 1997,	through January 24, 1998
XX Under assigned authority (14 CFR 385) by:	Office (Petitio 10 day:	L. Gretch, Director e of International Aviation ons for review may be filed from now until s after the confirming order/letter issues. of a petition shall not stay the effectiveness of tion.)
XX Authority granted is consistent with the aviat d'Ivoire.	ion agreemei	nt between the United States and Cote
Except to the extent exempted or waived, this author indicated:	•	
XX Holder's certificate of public conveni	ence and nec	essity

Remarks: The code-sharing operations authorized herein must comply with 14 CFR 399.88 of the Department's regulations and any amendments to the Department's regulations concerning code-share arrangements that may be adopted and are expressly conditioned upon the requirements that the subject foreign air transportation be sold in the name of the carrier holding out such service in the computer reservation systems and elsewhere, and that the carrier selling such transportation accept all obligations established in its contract of carriage with the passenge i.e., the ticket) and that the operator shall not permit the code of its U.S. carrier code-sharing partner to be carried on any flight that enters, departs, or transits the airspace of any area for whose airspace the Federal Aviation Administration has issued a flight prohibition.

XX Standard Exemption Conditions (attached)

(See Reverse Side)

The authority granted is coextensive with the duration of the code-share authority granted KLM Airlines on January 24, 1997.



of Transportation

NOTICE OF ACTION TAKEN

RENEW

January 23, 1997 This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible. Application of Polar Air Cargo, Inc. filed 12/10/96 in Docket OST-95-877 (50254) for: XX Renew allocation of 8 weekly frequencies to provide scheduled all-cargo service in the U.S.-Russia market. **XX** Renew exemption under 49 U.S.C. to provide the following service: Scheduled foreign air transportation of property and mail between New York, New York, and Moscow, Russia, via Prestwick and between Anchorage and Khabarovsk via Seoul, Taipei and Hong Kong, and to integrate this authority with its existing certificate and exemption authority. Applicant rep.: Alfred Eichenlaub, 202-637-9034 DOT analyst: Sylvia Moore, 202-366-6519 DISPOSITION **XX** Granted (Subject to conditions, see below) The above action was effective when taken: January 22, 1997, through January 22, 1999 **XX** *Under assigned authority (14 CFR 385) by:* Paul L. Gretch, Director Office of International Aviation (Petitions for review may be filed from now until 10 days after the confirming order/letter issues. Filing of a petition shall not stay the effectiveness of this action.) XX Authority granted is consistent with the aviation agreement between the United States and Russia. Except to the extent exempted or waived, this authority is subject to the terms, conditions, and limitations indicated: XX Holder's certificate of public convenience and necessity **XX** Standard Exemption Conditions (attached)

Conditions: The route integration authority granted is subject to the condition that any service provided under this exemption shall be consistent with all applicable agreements between the United States and the foreign countries involved. Furthermore, (a) nothing in the award on the route integration authority

(See Reverse Side)

requested should be construed as conferring upon Polar Air additional rights (including fifth freedom intermediate and/or beyond rights) to serve markets where U.S. carrier entry is limited unless Polar Air notifies us of its intent to serve such a market and unless and until the Department has completed any necessary carrier selection procedure to determine which carrier(s) should be authorized to exercise such rights; and (b) should there be a request by any carrier to use the limited entry route rights that are included in Polar Air's authority by virtue of the route integration exemption granted here, but that are not then being used by Polar Air, the holding of such authority by route integration will not be considered as providing any preference for Polar Air in a competitive carrier selection proceeding to determine which carrier(s) should be entitled to use the authority at issue.

Consistent with our standard practice, the frequency allocation granted is subject to the condition that it will expire automatically and the frequencies will revert back to the Department for reallocation if they are not used for a period of 90 days.



NEW

January 31, 1997

This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible.

Application of Polar Air Cargo, Inc. filed 1/9/97 in Docket OST-97-2052 for:

XX Exemption from Order 96-11-28; startup deadline:

By Order 96-11-28 the Department issued Polar Air Cargo a certificate of public convenience and necessity to provide scheduled all-cargo service between the United States and Japan (Route 727). By its terms the certificate would expire February 24, 1997, unless Polar commences service by that date. Polar seeks extension of the February 24 startup date to April 30, 1997, stating that the Government of Japan requires a minimum of 90 days from the date of receipt of a completed foreign air carrier application to secure Japanese approval. Since Polar's designation was transmitted to the Japanese Government on December 6, 1996, Polar states that based on the Japanese Government's procedures, it would not be able to meet the current February 24 startup date.

Applicant rep.: Alfred J. Eichenlaub, 202-637-9034 DOT analyst: Sylvia Moore, 202-366-6519

DISPOSITION

XX Granted)

The above action was effective when taken: January 31, 1997, through April 30, 1997

XX *Under assigned authority (14 CFR 385) by:*

Paul L. Gretch, Director
Office of International Aviation
(Petitions for review may be filed from now until
10 days after the confirming order/letter issues.
Filing of a petition shall not stay the effectiveness of this action.)